

Rural Preservation Loan Fund Requirements

The Indiana Housing and Community Development Authority received \$2.125 million from USDA to rehabilitate Section 515 rural rental properties across Indiana. Pursuant to the conditions of that award, IHCD is providing a set aside within the QAP to encourage the rehabilitation of these properties. All applicants will be required to meet the threshold and scoring criteria of the Allocation Plan and requirements of the Code relating to Section 515 properties. Parameters for the program are outlined below:

- Applicant must submit the Multi-Family Housing Finance Application on the application date(s) stated in the Allocation Plan.
- Applications will only be accepted for projects included on the “eligible properties” list provided by USDA. See attached.
- Applicants are encouraged to bundle scattered site projects into one development application when appropriate.
- Applications recommended for RHTC will be forwarded to PR Mortgage for underwriting of the Rural Preservation Loan.
- The applicant must be in compliance with all Rural Development program requirements or have a Rural Development approved workout plan in place that will correct their noncompliance status. Any delinquent debt to the Federal Government, by the applicant or any of its principals, shall cause the applicant to be ineligible to receive a loan under the PRLF program.
- The applicant, along with its principal officers (including their immediate family), must hold no legal or financial interest in the Indiana Housing and Community Development Authority (IHCD).
- Developments will be limited to a maximum of \$500,000 in loan funds. At any given time, applicant, owner or developer may not have a balance in excess of \$1,000,000 from the RPLF program. If the Authority determines that in its sole and absolute discretion it is in the interest of the State to allocate additional funds to a developer, owner, or project then the Authority’s Board of Directors may waive such limitation.
- Recipients will be limited to no more than 20% of the loan amount applied to program delivery costs.
- Recipients cannot be reimbursed for staff costs with a PRLF loan.
- The term may not exceed the remaining term of the original Section 515 Rural Housing Service loan.
- The interest rate of the loan will be 2%
- There will be a 2% origination fee for executing the RPLF loan.
- Any Development found to be in violation of the Allocation Plan will be subject to a reduction or rescission in funding, and all Development Team members may be subject to debarment from participating in all Authority financing programs for up to five (5) years.

* A list of Eligible Properties can be found at IHCD’s website at www.indianahousing.org. The list of Eligible Properties will be updated as necessary.

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